

2007 DRAFTING REQUEST

Senate Amendment (SA-SSA1-SB40)

Received: **06/15/2007**

Received By: **dkennedy**

Wanted: **As time permits**

Identical to LRB:

For: **Legislative Fiscal Bureau 266-8742**

By/Representing: **Hotynski**

This file may be shown to any legislator: **NO**

Drafter: **dkennedy**

May Contact:

Addl. Drafters:

Subject: **Health - medical assistance**

Extra Copies:

Submit via email: **YES**

Requester's email:

Carbon copy (CC:) to: **robin.ryan@legis.wisconsin.gov**

Pre Topic:

LFB:.....Hotynski -

Topic:

Rock County nursing homes in Dane County MA labor region

Instructions:

See Attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	dkennedy 06/17/2007	jdyer 06/18/2007		_____			
/1			nnatzke 06/18/2007	_____	sbasford 06/18/2007		
/2	dkennedy 06/22/2007	jdyer 06/22/2007	pgreensl 06/22/2007	_____	cduerst 06/22/2007		

FE Sent For:

<END>

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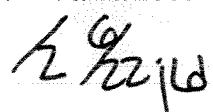
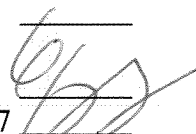
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/?	dkennedy 06/17/2007	jdyer 06/18/2007					
/1			nmatzke 06/18/2007		sbasford 06/18/2007		

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/?	dkennedy	1/6/18 jld	nwn 6/18	nwn 6/18			

FE Sent For:

<END>

b0376

6/13 Bud. amdt. request from Rebecca Hotynski
(LFB) to Jt. Fin sub

Restore nursing homes in Rock Co to
Dane Co. labor region for MA
07-0647 \$9.45 (com)(ar) l.a.

DOA:.....Milioto, BB0148 - Nursing home beds, CIP II payment, MA labor regions

FOR 2007-09 BUDGET -- NOT READY FOR INTRODUCTION

1 **AN ACT ...; relating to: the budget.**

Analysis by the Legislative Reference Bureau

HEALTH AND HUMAN SERVICES

MEDICAL ASSISTANCE

Under current law, reimbursements to nursing homes for care provided to Medical Assistance (MA) recipients are determined under a system that considers, among other things, direct care costs, as adjusted by DHFS for regional labor cost variations. For this purpose, DHFS treats the counties of Dane, Iowa, Columbia, and Sauk as a single labor region. This bill adds Rock County to this labor region.

Currently, under the MA waiver community integration program for persons relocated from, or meeting requirements of, nursing homes (commonly known as CIP II), DHFS provides enhanced MA reimbursement to up to 150 persons who are diverted from imminent entry into nursing homes. Approval of enhanced reimbursement for more than 150 persons must, however, be made by JCF under a passive review process. This bill eliminates approval by JCF of enhanced CIP II reimbursement for persons in excess of 150 persons and, instead, requires approval for this enhanced reimbursement from the secretary of administration.

OTHER HEALTH AND HUMAN SERVICES

Under current law, the maximum number of licensed nursing home beds statewide is 51,795. A nursing home may transfer a licensed bed to another nursing

home only under certain conditions, including if the transferring and receiving nursing homes are within the same bed allocation area, as determined by DHFS, or if the receiving nursing home is located in a county that adjoins the bed allocation area of the transferring nursing home.

This bill reduces the statewide licensed nursing home bed cap to 42,000 beds and changes the limitation on transferring a licensed bed from one nursing home to another to require that the receiving nursing home be in the same bed allocation area or in an adjoining area.

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 **SECTION 1.** 46.277 (5) (g) 3. of the statutes is amended to read:

2 46.277 (5) (g) 3. If it is likely that the number of individuals for whom an
3 enhanced reimbursement for services is provided under subd. 1. and who are
4 diverted from imminent entry into nursing homes will exceed 150, the department
5 may submit a request to the joint committee on finance secretary of administration
6 for approval to provide enhanced reimbursement for services provided under subd.
7 1. for diversion from imminent entry into nursing homes for a number of individuals
8 in excess of 150. Notwithstanding s. 13.101 (3) (a), the committee is not required to
9 ~~find that an emergency exists. If the cochairpersons of the committee do not notify~~
10 ~~the secretary within 14 working days after the date of the department's submittal~~
11 ~~that the committee intends to schedule a meeting to review the request, approval of~~
12 ~~the request is granted. If, within 14 working days after the date of the department's~~
13 ~~request submittal, the cochairpersons of the committee notify the secretary that the~~
14 ~~committee intends to schedule a meeting to review the request, the request may be~~
15 ~~granted only as approved by the committee.~~

16 **SECTION 2.** 49.45 (6m) (ar) 1. a. of the statutes is amended to read:

P.700, l. 24: attli: SEC 1528h

1 49.45 (6m) (ar) 1. a. The department shall establish standards for payment of
2 allowable direct care costs under par. (am) 1. bm., for facilities that do not primarily
3 serve the developmentally disabled, that take into account direct care costs for a
4 sample of all of those facilities in this state and separate standards for payment of
5 allowable direct care costs, for facilities that primarily serve the developmentally
6 disabled, that take into account direct care costs for a sample of all of those facilities
7 in this state. The standards shall be adjusted by the department for regional labor
8 cost variations. The department shall treat as a single labor region the counties of
9 Dane, Iowa, Columbia, and Sauk, and Rock. For facilities in Douglas, Pierce, and St.
10 Croix counties, the department shall perform the adjustment by use of the wage
11 index that is used by the federal department of health and human services for
12 hospital reimbursement under 42 USC 1395 to 1395ggg.

13 **SECTION 3.** 150.31 (1) (intro.) of the statutes is amended to read:

14 150.31 (1) (intro.) In order to enable the state to budget accurately for medical
15 assistance and to allocate fiscal resources most appropriately, the maximum number
16 of licensed nursing home beds statewide is ~~51,795~~ 42,000 and the maximum number
17 of beds statewide in facilities primarily serving the developmentally disabled is
18 3,704. The department may adjust these limits on licensed beds as provided in subs.
19 (2) to (6). The department shall also biennially recommend changes to this limit
20 based on the following criteria:

21 **SECTION 4.** 150.345 (1) (a) of the statutes is amended to read:

22 150.345 (1) (a) The receiving nursing home is within the same area for
23 allocation of nursing home beds, as determined by the department, as is the
24 transferring nursing home, or is in ~~a county~~ an adjoining that area.

25 (END)



State of Wisconsin
2007 - 2008 LEGISLATURE

LRBb0376/2 |

DAK:.....
jld

LFB:.....Hotynski - Rock County nursing homes in Dane County MA labor
region ✓

FOR 2007-09 BUDGET -- NOT READY FOR INTRODUCTION

SENATE AMENDMENT ,

TO SENATE SUBSTITUTE AMENDMENT 1,

TO 2007 SENATE BILL 40

1 At the locations indicated, amend the substitute amendment as follows: ✓

2 1. Page 700, line 24: after that line insert:

3 (B) → 1530 ✓

3 "SECTION ~~1528h.~~ 49.45 (6m) (ar) 1. a. ✓ of the statutes is amended to read:

4 49.45 (6m) (ar) 1. a. The department shall establish standards for payment of
5 allowable direct care costs under par. (am) 1. bm., for facilities that do not primarily
6 serve the developmentally disabled, that take into account direct care costs for a
7 sample of all of those facilities in this state and separate standards for payment of
8 allowable direct care costs, for facilities that primarily serve the developmentally
9 disabled, that take into account direct care costs for a sample of all of those facilities
10 in this state. The standards shall be adjusted by the department for regional labor

1 cost variations. The department shall treat as a single labor region the counties of
2 Dane, Iowa, Columbia, ~~and Sauk, and Rock~~.[✓] For facilities in Douglas, Pierce, and St.
3 Croix counties, the department shall perform the adjustment by use of the wage
4 index that is used by the federal department of health and human services for
5 hospital reimbursement under 42 USC 1395 to 1395ggg."[✓]

History: 1971 c. 40 s. 93; 1971 c. 42, 125; 1971 c. 213 s. 5; 1971 c. 215, 217, 307; 1973 c. 62, 90, 147; 1973 c. 333 ss. 106g, 106h, 106j, 201w; 1975 c. 39; 1975 c. 223 s. 28; 1975 c. 224 ss. 54h, 56 to 59m; 1975 c. 383 s. 4; 1975 c. 411; 1977 c. 29, 418; 1979 c. 34 ss. 837f to 838, 2102 (20) (a); 1979 c. 102, 177, 221, 355; 1981 c. 20 ss. 839 to 854, 2202 (20) (r); 1981 c. 93, 317; 1983 a. 27 ss. 1046 to 1062m, 2200 (42); 1983 a. 245, 447, 527; 1985 a. 29 ss. 1026m to 1031d, 3200 (23), (56), 3202 (27); 1985 a. 120, 176, 269; 1985 a. 332 ss. 91, 251 (5), 253; 1985 a. 340; 1987 a. 27 ss. 989r to 1000s, 2247, 3202 (24); 1987 a. 186, 307, 339, 399; 1987 a. 403 s. 256; 1987 a. 413; 1989 a. 6; 1989 a. 31 ss. 1402 to 1452g, 2909g, 2909i; 1989 a. 107, 173, 310, 336, 351, 359; 1991 a. 22, 39, 80, 250, 269, 315, 316; 1993 a. 16 ss. 1362g to 1403, 3883; 1993 a. 27, 107, 112, 183, 212, 246, 269, 335, 356, 437, 446, 469; 1995 a. 20; 1995 a. 27 ss. 2947 to 3002r, 7299, 9126 (19), 9130 (4), 9145 (1); 1995 a. 191, 216, 225, 289, 303, 398, 417, 457; 1997 a. 3, 13, 27, 114, 175, 191, 237, 252, 293; 1999 a. 9, 63, 103, 180, 185; 2001 a. 13, 16, 35, 38, 57, 67, 104, 109; 2003 a. 33, 318, 321; 2005 a. 22; 2005 a. 25 ss. 1120 to 1149f, 2503 to 2510; 2005 a. 107, 165, 253, 254, 264, 301, 340, 386, 441.

6 (END)

STATE OF WISCONSIN - LEGISLATIVE REFERENCE BUREAU

LRB

Research (608-266-0341)

Library (608-266-7040)

Legal (608-266-3561)

LRB

60376/1

6/21/07

From Rebecca Hotynski:

Redraft:

Provide \$300,000 annually (20.435(4)(b))
so that counties that Rock Co joins
will be "held harmless" (their
payments won't go down), while
Rock Co's go up

Kennedy, Debora

From: Lund, C David D - DHFS
Sent: Friday, June 22, 2007 12:58 PM
To: Kennedy, Debora
Subject: Re: Rock County inclusion in labor region

This language is fine. Your second alternative would be easier for us to administer but it would not save us any money.

>>> "Kennedy, Debora" <Debora.Kennedy@legis.wisconsin.gov> 6/22/2007
9:14 AM >>>

Dave, this is the proposed language (in quotes), amending s. 49.45
(6m)
(ar) 1. a.. Please feel free to criticize it any way you like.

The department shall treat as a single labor region the counties of Dane, Iowa, Columbia, Sauk, "and Rock and shall adjust payment so that the direct care cost targets of facilities in Dane, Iowa, Columbia, and Sauk counties are not reduced as a result of including facilities in Rock County in this labor region".

The proposal comes with an addition of \$300,000 GPR each year to s.
20.435 (4) (b).

Debora A. Kennedy
Managing Attorney
Legislative Reference Bureau
(608) 266-0137
debora.kennedy@legis.state.wi.us



State of Wisconsin
2007 - 2008 LEGISLATURE

LRBb0376/1 2
DAK:jld:nnn

LFB:.....Hotynski - Rock County nursing homes in Dane County MA labor region

FOR 2007-09 BUDGET -- NOT READY FOR INTRODUCTION

SENATE AMENDMENT ,

TO SENATE SUBSTITUTE AMENDMENT 1,

TO 2007 SENATE BILL 40

✓
1 At the locations indicated, amend the substitute amendment as follows: ✓

2 **1.** Page 700, line 24: after that line insert:

3 **"SECTION 1530h.** 49.45 (6m) (ar) 1. a. of the statutes is amended to read:

4 49.45 (**6m**) (ar) 1. a. The department shall establish standards for payment of
5 allowable direct care costs under par. (am) 1. bm., for facilities that do not primarily
6 serve the developmentally disabled, that take into account direct care costs for a
7 sample of all of those facilities in this state and separate standards for payment of
8 allowable direct care costs, for facilities that primarily serve the developmentally
9 disabled, that take into account direct care costs for a sample of all of those facilities
10 in this state. The standards shall be adjusted by the department for regional labor

✓
INSERT 2-2

1 cost variations. The department shall treat as a single labor region the counties of
2 Dane, Iowa, Columbia, ~~and Sauk, and Rock~~. For facilities in Douglas, Pierce, and St.
3 Croix counties, the department shall perform the adjustment by use of the wage
4 index that is used by the federal department of health and human services for
5 hospital reimbursement under 42 USC 1395 to 1395ggg.”.

6 (END)

**2007-2008 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRBb0376/2ins
DAK:jld:nwn

\$330,000

INSERT 1-1

1
2 **1.** Page 193, line 11: increase the dollar amount for fiscal year 2007-08 by
3 ~~\$300,000~~ and increase the dollar amount for fiscal year 2008-09 by ~~\$300,000~~ for the
4 purpose of adjusting medical assistance payments for facilities in Dane, Iowa,
5 Columbia, and Sauk counties.

INSERT 2-2

6
7 and shall adjust payment so that the direct care cost targets of facilities in
8 Dane, Iowa, Columbia, and Sauk counties are not reduced as a result of including
9 facilities in Rock County in this labor region



State of Wisconsin
2007 - 2008 LEGISLATURE

LRBb0376/2
DAK:jld:pg

LFB:.....Hotynski - Rock County nursing homes in Dane County MA labor region

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10 adjustment by use of the wage index that is used by the federal department of health
11 and human services for hospital reimbursement under 42 USC 1395 to 1395ggg.”.

12 (END)